



350 E. Michigan Avenue, Suite 120
Kalamazoo, MI 49007
p(269) 349-9170
f(269) 349-9271

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Dear Members of the House Energy and Technology Committee:

Thank you once again to the Committee on Energy and Technology and to Chairman Mayes for addressing access rate reform, an issue of importance to all Michigan consumers, especially rural families and small businesses. As the state's largest consumer advocate, we thank Chairman Mayes, Minority Vice-Chairman Kenneth Horn, and Representative Tim Melton for including us in the effort to reform Michigan's antiquated access rate system, and we offer our full support to the committee's bipartisan efforts, embodied in House Amendment 5 to HB 4257.

At the onset of this effort, Michigan Citizen Action identified four key principles that we would like to see addressed, and we are glad to see that H-5 to HB 4257 has taken them head-on:

- Ensuring that the responsibility for funding needed investments is shared as widely and fairly as possible, which H-5 accomplishes by including all telecommunications customers to the extent allowed under federal law;
- Guaranteeing that rate-setting is publicly accountable and that charges are reasonable and as low as possible, which H-5 accomplishes by empowering the Michigan Public Service Commission to provide oversight and review, with the goal of reducing rates every four years, as well as requiring providers to pass on rate reductions to customers;
- Providing transparency in access rate charges, by allowing telecommunications providers to list access rate charges as a separate item on consumer's phone bills;
- Ensuring collected funds are used to strengthen and modernize our rural telecommunications infrastructure, which H-5 accomplishes by gradually eliminating the use of collected funds by CLEC's, which do not maintain telecommunications networks.

The committee members should be proud of their outstanding work, and we are deeply disappointed by the recent efforts of the Michigan Cable Telecommunications Association (MCTA) to derail your bipartisan efforts. Let's be clear: the MCTA refers to the current funding mechanism as a "business-to-business cost" and the proposed new law as a "new \$16 million tax on consumers," but nothing could be further from the truth. As we all know, the current access rate charges are ultimately paid by consumers, not providers. And H-5 ensures that those charges are as small as possible, and shared as fairly and equally as possible, but without reform those charges will continue without any public accountability and end in sight.

As the largest voice for Michigan consumers, we thank you for your hard work and respectfully urge a "Yes" vote on H-5 to HB 4257.

Sincerely,

Linda Teeter, Executive Director, Michigan Citizen Action